

114TH CONGRESS  
1ST SESSION

# S. 1219

To amend the Public Utility Regulatory Policies Act of 1978 to provide for the safe and reliable interconnection of distributed resources and to provide for the examination of the effects of net metering.

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IN THE SENATE OF THE UNITED STATES

MAY 6, 2015

Ms. MURKOWSKI introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to provide for the safe and reliable interconnection of distributed resources and to provide for the examination of the effects of net metering.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. RELIABILITY AND DISTRIBUTED RESOURCES.**

4       Section 111(d) of the Public Utility Regulatory Poli-  
5       cies Act of 1978 (16 U.S.C. 2621(d)) is amended by add-  
6       ing at the end the following:

7               “(20) CONSIDERATION OF SAFE AND RELIABLE  
8               INTERCONNECTION OF DISTRIBUTED RESOURCES.—

1                 “(A) DEFINITIONS.—In this paragraph:

2                         “(i) ANCILLARY SERVICE.—The term  
3                         ‘ancillary service’ includes—

4                                 “(I) reactive supply;

5                                 “(II) regulation and frequency  
6                         response;

7                                 “(III) energy imbalance;

8                                 “(IV) operating reserves;

9                                 “(V) generation imbalance; and

10                                 “(VI) flexibility and ramping  
11                 services.

12                         “(ii) DISTRIBUTED RESOURCE.—The  
13                         term ‘distributed resource’ means an elec-  
14                         tric power source connected directly to the  
15                         distribution network or on the customer  
16                         side of the meter.

17                 “(B) REQUIREMENT FOR PROCEEDINGS  
18                 RELATED TO DISTRIBUTED RESOURCES.—Each  
19                 State regulatory authority shall—

20                         “(i) establish proceedings to examine  
21                         the degree to which distributed resources  
22                         contribute ancillary services; and

23                         “(ii) prescribe appropriate measures  
24                         to ensure adequate ancillary services so

1                   that grid interconnection for distributed  
2                   resources is safe, reliable, and efficient.”.

3 **SEC. 2. NET METERING EFFECTS.**

4                   Section 111(d) of the Public Utility Regulatory Poli-  
5 cies Act of 1978 (16 U.S.C. 2621(d)) (as amended by sec-  
6 tion 1) is amended by adding at the end the following:

7                   “(21) NET METERING EFFECTS.—Each State  
8 regulatory authority shall—

9                         “(A) establish proceedings to examine the  
10                    effects of net metering and customer-owned dis-  
11                    tributed generation on resource planning of  
12                    each electric utility, including—

13                         “(i) the effects on resource utilization,  
14                    fuel diversity, grid security, and shifting of  
15                    grid costs to customers who do not use net  
16                    metering or customer-owned distributed  
17                    generation; and

18                         “(ii) the impact on—

19                         “(I) the financial health of the  
20                    entity providing distribution services;  
21                    and

22                         “(II) the ability of the entity to  
23                    attract investment in light of net me-  
24                    tering and customer-owned distributed  
25                    generation within the State; and

1                 “(B) establish proceedings to determine  
2                 whether electricity rates established for net me-  
3                 tering service are just and reasonable and not  
4                 unduly preferential or discriminatory, in accord-  
5                 ance with State law.”.

6 **SEC. 3. COMPLIANCE.**

7                 (a) TIME LIMITATIONS.—Section 112(b) of the Pub-  
8         lic Utility Regulatory Policies Act of 1978 (16 U.S.C.  
9         2622(b)) is amended by adding at the end the following:

10                 “(7)(A) Not later than 1 year after the date of  
11                 enactment of this paragraph, each State regulatory  
12                 authority (with respect to each electric utility for  
13                 which the authority has ratemaking authority) and  
14                 each nonregulated electric utility shall, with respect  
15                 to the standard established by paragraphs (20) and  
16                 (21) of section 111(d)—

17                         “(i) commence the consideration required  
18                 under those paragraphs; or

19                         “(ii) set a hearing date for such consider-  
20                 ation, with respect to the standard established  
21                 by paragraphs (20) and (21) of section 111(d).

22                 “(B) Not later than 2 years after the date of  
23                 enactment of this paragraph, each State regulatory  
24                 authority (with respect to each electric utility for  
25                 which the authority has ratemaking authority) and

1       each nonregulated electric utility shall, with respect  
2       to the standards established by paragraphs (20) and  
3       (21) of section 111(d)—

4               “(i) complete the consideration required  
5       under those paragraphs; and

6               “(ii) make the determination referred to in  
7       section 111 with respect to the standards estab-  
8       lished by those paragraphs.”.

9       (b) FAILURE To COMPLY.—Section 112(c) of the  
10      Public Utility Regulatory Policies Act of 1978 (16 U.S.C.  
11      2622(c)) is amended by adding at the end the following:  
12      “In the case of the standard established by paragraphs  
13      (20) and (21) of section 111(d), the reference contained  
14      in this subsection to the date of enactment of this Act  
15      shall be deemed to be a reference to the date of enactment  
16      of those paragraphs.”.

